

Disabled Veteran Business Enterprise (DVBE) Incentive for RFP Primary

Under California Code of Regulations 1896.99.100, the California DVBE Incentive provides responsive/responsible firms the opportunity to receive additional incentive calculations. The incentive is applied at the time of solicitation cost evaluation when a proposing firm has identified a California-certified DVBE subcontractor to provide services or commodities in support of the overall contract effort. Application of the DVBE Incentive *may not displace a certified small business low-cost proposal*.

1. Key Elements of the DVBE Incentive Program

- a. The DVBE Incentive is applied during the evaluation process and is *only* applied to responsive proposals from responsible firms proposing the percentage(s) of DVBE participation for the incentive(s) specified in the solicitation.
- b. DVBE Incentive participation is at the discretion of the proposing firm and is *optional* when overall DVBE program requirements are exempt by the Department for that solicitation.
- c. When requesting the Incentive application, proposing firms must complete and return the DVBE Incentive Application Request included within this solicitation with their proposal at time of submission.
- d. Services or commodities provided by the DVBE firm **MUST** meet the definition of a "Commercially Useful Function" as defined under Government Codes: 14837; 14838.6; 14839; 14842; 14842.5 and Military and Veterans Code 999 and 999.6. A DVBE firm not meeting CUF regulations will render the responding firm ineligible for the DVBE Incentive application.

2. DVBE Incentive Option vs. DVBE Program Requirements

A Department may choose to formally exempt a solicitation from California DVBE Program requirements. However, it is required to include the DVBE Incentive if a Department has not met DVBE program goals three of the previous two fiscal years. Proposing firms should review the RFP closely to determine if the California DVBE Program requirement is included in the solicitation.

California DVBE Program requirements, when included in a solicitation, are not optional and must be met by the proposing firm. If a proposing firm does not undertake DVBE program activities as specified in the RFP and make efforts to document those activities through 1) the selection of a DVBE firm, or 2) through satisfaction of the Five Steps of the Good Faith Effort, the firm will be deemed non-responsive to RFP requirements and their bid will be rejected.

3. DVBE Incentive Application Based on RFP Primary Method

This solicitation is a Request for Proposal (RFP) Primary Method and the DVBE Incentive application is applied during Phase 3, when applicable, and is based on Phase 2 Cost Evaluation and follows the guidelines identified below:

- a. Application of the Incentive is based on a proposing firm's level of DVBE participation identified (1% – 5% and higher).
- b. For awards based on low cost, the incentive is applied by reducing the cost proposed by the amount of incentive as computed from the lowest responsive and responsible proposal. (CCR 1896.99.100 (c)).

INCENTIVE SCALE

Confirmed DVBE Participation	
DVBE Participation Level	Incentive Applied
1.0 - 1.99%	1%
2.0 up to 2.99%	2%
3.0 up to 3.99%	3%
4.0 up to 4.99%	4%
5% or Higher	5%

SAMPLE: PRIMARY RFP, LOW COST METHOD

Proposing Firm	A	B	C
Responsive/Responsible	Yes	Yes	Yes
Net Proposed Price	\$100,000	\$102,000	\$103,000
Rank	1	2	3
Small Business	No	Yes	Yes
Eligible Preference	\$0.00	\$5,000	\$5,000
Confirmed DVBE Participation	None	3%	100%
Incentive Amount	\$0.00	\$3,000	\$5,000
Adjusted Bid Amount	\$0.00	\$94,000	\$93,000
New Rank	3	2	1

Please Note: It is possible for a Small Business that is not low cost to be awarded a solicitation after application of both the Small Business calculation preference and the DVBE Incentive calculation.

5. Order of Evaluation

In applying the calculation preferences, first Small Business preference will be applied, followed by the DVBE Incentive calculation.

6. DVBE Program Incentive as Applied to RFP #####

For the purposes of this solicitation, the Department of Water Resources elects to use:

1. ☐ A specified amount of Incentive to be applied. The amount of DVBE Incentive to be applied to this solicitation will be %.
2. ☐ Incentive Scale: The Department is applying use of the DVBE Incentive Scale to this solicitation effort.

7. Incentive Cap

An awarding department's highest ranking executive officer, or his/her/ designee may elect to place a cap of not less than \$100,000 on the incentive and/or a cap of not less than \$100,000 for all combined incentives and preferences. (CCR 1896.99.120)

1. ☐ For the purpose of **RFP #####**, there is no incentive cap placed on this solicitation.
2. ☐ For the purpose of **RFP #####**, the cap placed on this solicitation for all combined incentives and preferences is **\$0000.00**.

DVBE INCENTIVE APPLICATION REQUEST

Under the DVBE Incentive Regulations, CCR 1896.99.100, I request the application of the DVBE Program Incentive to RFP ##### to determine if my firm may be in line for bid award.

- a. I understand that the DVBE Incentive application will be applied using the "High Score Method" and cannot be used to achieve any applicable minimum point requirements.
- b. I understand the DVBE firm(s) selected must provide a "Commercially Useful Function" as required under MVC Section 999.9 of the (SB/NVSA and DVBE) and GC section 14842 (SB/MB).
- c. I understand I will be required to report my firm's DVBE activities quarterly to the program contract manager and the DWR SB/DVBE Advocate using the DWR Form 9553 until the DVBE participation incentive level my firm has identified has been met.
- d. I understand that subsequent amendments to the contract may require continued use of the identified DVBE firm if that contract amendment adds additional funding for continued services.
- e. As the Bidding firm, I identify the following percentage of DVBE participation for this solicitation: ____ percent.

SECTION A - BIDDING/PROPOSING FIRM INFORMATION

Firm Name					
Firm Representative				Title	
Firm Address					
	City:		State:	ZIP	
Firm Telephone			Firm Fax		
Firm Email Contact:					

SECTION B - PROPOSED DVBE FIRM(S)

DVBE Firm Name					
Firm Representative				Title	
Firm Address					
	City:		State	ZIP	
Firm Telephone			Firm Fax		
Firm Email Contact:					
DVBE Certification	DGS OSDS No		Date of Expiration		

Bidder Instructions:

1. Complete Section A information;
2. Fax this form to DVBE firm to complete Section B.
3. Instruct the DVBE firm to include a copy of their DGS Office of Small and DVBE (OSDS) Services Certification when the form is returned
4. The Incentive Application Request must be included with your bid/proposal to be considered for the DVBE Incentive application